UNITED NATIONS

Daily Highlights

Department of Public Information • Central News Section • New York

Prepared by Central News

DH/2045
18 December 1995

MONDAY HIGHLIGHTS

* Secretary-General, in press conference at Headquarters, announces he will visit Kuwait soon; says international community must not allow Africa to become marginalized.

* General Assembly welcomes OSCE role in Bosnian Peace Agreement and Basic Agreement on Eastern Slavonia; welcomes intensified cooperation between United Nations and OSCE.

* Secretary-General expresses concern at reports of clashes between Eritrean and Yemeni forces; appeals to both sides to settle dispute peacefully through diplomatic negotiations.

* Persistent poverty is morally wrong, Secretary-General says as he launches International Year for Eradication of Poverty; stresses need to implement Copenhagen Declaration.

* UNCTAD's World Investment Report 1995 finds investment by transnational corporations has become most important mechanism for international economic integration.

* Commission on Narcotic Drugs approves $152 million initial budget for extrabudgetary global anti-drug efforts for 1996-1997.

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Secretary-General Boutros Boutros-Ghali today announced that he would travel to the Middle East in the next week. In a press conference at Headquarters, he told correspondents that he intended to visit Kuwait, and referred to the United Nations Iraq-Kuwait Observation Mission (UNIKOM).

The Secretary-General recalled that he had recently had two long meetings in Geneva with the Deputy Prime Minister of Iraq, Tariq Aziz. However, Iraq's position regarding Security Council resolution 986 (1995) had not changed. He expressed the hope that progress could be made towards the implementation of the "food for oil" resolution, citing the suffering of the Iraqi people. "The chances are limited," he said, "but we must try." He

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noted that 30 per cent of the revenues from any Iraqi oil sales were allocated to paying awards made by the United Nations Compensation Commission.

Turning to his recent visit to West Africa, Mr. Boutros-Ghali highlighted the situations in Sierra Leone and Liberia. He said there was a very negative perception that Africa was being marginalized -- that the international community paid inadequate attention to the continent's problems. He noted that Under-Secretary-General Chinmaya Gharekhan would be undertaking a goodwill mission concerning the situation in Western Sahara.

The Secretary-General stressed the importance of next February's elections in Sierra Leone. He said successful elections could transform the political atmosphere in a country and attract international assistance, citing the examples of Algeria and Cambodia. Yesterday's elections in Haiti would contribute to the climate of security in that country and help the Haitian Government obtain foreign investment for reconstruction.

Regarding Eastern Slavonia, Mr. Boutros-Ghali said it was up to the Security Council to decide what sort of force should be established, and his job to implement that decision. There were many issues involved: Should it be a multinational or a United Nations force? Should it be a small force of 2,000 troops -- as favoured by the Croatian Government -- or a 9,000-strong deployment, as favoured by the Serbs? Should it be based on Chapter VI or Chapter VII of the Charter? If the Council decided on a United Nations force, it would take time to deploy troops on the ground. The Organization still had to cope with a financial crisis -- it was owed some $3 billion, including almost $400 million for the United Nations Protection Force (UNPROFOR).

The recent extension of the United Nations Assistance Mission for Rwanda (UNAMIR) had only postponed the Rwandan problem for three months, the Secretary-General went on to say. There were still two million Rwandan refugees to be repatriated, but there was a "crisis of confidence" in the country. Many refugees did not want to return home as they feared a new genocide.

Mr. Boutros-Ghali concluded the press conference by calling attention to the world's "orphan situations," such as those in Tajikistan or Afghanistan, which received little or no attention. It might be possible to resolve those situations by deploying peace-keepers, but Member States were unwilling to pay to put troops on the ground. He added that the United Nations should function as an international think-tank, in order to solve the problems of tomorrow.

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The General Assembly today welcomed the important role assigned to the Organization for Security and Cooperation in Europe (OSCE) in the Bosnian Peace Agreement, including supervising the preparation and conduct of free and fair elections. It also acknowledged the OSCE's important role in the

implementation of the Basic Agreement on the Region of Eastern Slavonia, Baranja and Western Sirmium.

By adopting a resolution without a vote on cooperation between the United Nations and the OSCE, the Assembly also welcomed the intensified coordination between the two Organizations. It encouraged OSCE States to work to achieve peaceful settlement of disputes in the region through conflict prevention and crisis management.

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The Secretary-General today expressed concern at reports of clashes over the weekend between Eritrean and Yemeni forces concerning disputed islands in the Red Sea's Bab al-Mandab channel. He said he was encouraged by reports that the two sides had agreed to end hostilities immediately and to establish a mechanism to monitor a cease-fire agreement.

Mr. Boutros-Ghali appealed to the two sides to settle their dispute peacefully through diplomatic negotiations. He added that he was ready to offer his good offices in the efforts to resolve the dispute peacefully.

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Persistent poverty is not only inconsistent with social harmony and a durable political order, but is morally wrong, according to the Secretary-General. He made that comment at Headquarters today, as he launched the International Year for the Eradication of Poverty.

The facts about poverty were well known, but were often ignored, he said. More than 1.3 billion people were struggling to survive on less than one dollar each day. Five years ago, the number was 300,000,000 less. In 1990, the per capita income of the wealthiest 20 per cent of the world's population was 60 times greater than that of the poorest 20 per cent. Thirty years earlier, it was only 30 times greater. Poverty was a major cause of violent crime, ethnic clashes and social disarray. Moreover, it caused inequality and thus undermined democracy.

The Secretary-General stressed the need for specific policies that would increase the access of the poor to productive resources; improve and widen opportunities to use their skills; and integrate specific welfare schemes with mainstream economic policy. Those policies must be defined not just at the national but at the local level. He urged every country to set in place next year a process for formulating a strategy for the eradication of absolute poverty as envisaged in the Copenhagen Declaration. Those countries that had a strategy in place should announce the target date for its realization.

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International investment by transnational corporations (TNCs) has superseded trade to become the most important mechanism for international economic integration, according to the World Investment Report 1995: Transnational Corporations and Competitiveness. The Report, published by the United Nations Conference on Trade and Development (UNCTAD), said rapidly rising levels of global investment by those corporations had significant implications for countries' economic performance.

The global sales of the 250,000 foreign affiliates of 40,000 TNCs exceed $5 trillion, the Report noted. If the macroeconomic environment was right, foreign direct investment (FDI) would improve the competitiveness of transnational as well as indigenous firms. That investment would, in turn, contribute to the economic performance of countries, particularly those struggling to catch up.

Foreign direct investment -- projected at $230 billion this year -- was coming not only from large TNCs, but also from smaller firms in developed and developing countries that were becoming transnational. While the top 100 TNCs were all based in developed countries, 15 per cent of world FDI outflows now originated in developing countries, suggesting a shift in the structure of FDI flows.

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The Commission on Narcotic Drugs has approved an initial programme budget totalling $152 million for extrabudgetary international drug control activities for the 1996-1997 biennium. It also approved a final budget of $189 million for such projects for 1994-1995, as well as a performance report for that period totalling $149 million.

The Commission took that action at the conclusion of a two-day reconvened session in Vienna. It was responding to budgetary proposals submitted by Giorgio Giacomelli, Executive-Director of the United Nations International Drug Control Programme (UNDCP).

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